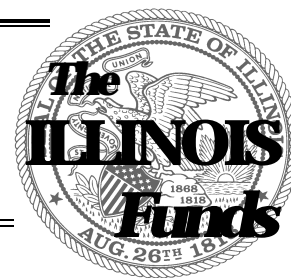


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Contact us at www.illinoisfunds.com or 1-800-346-7414

JUNE 2008

Page 1 of 2

Yesterday's Rates 6/06/08

Money Market Fund

2.004%

Prime Fund

2.242%

2008 Public Investors' Financial Symposium

By Randy Coffey

Director, The Illinois Funds

The 2008 Public Investors' Financial Symposium was a huge success!

All of us from The Illinois Funds would like to thank the speakers, panelists, and attendees for making this year's symposium one of the best ever. This year's attendees learned about investing public dollars in the current climate, how to protect your governmental entity from financial computer crime, how to help your local government "go green," and much, much more.

Please remember to watch your mail for information about our fall symposium in the Chicago area. Also, be sure to frequently check our website, www.illinoisfunds.com, for all of the latest information on future symposiums, and other updated information about The Illinois Funds.

MARKET PERSPECTIVE

By Mark Polistina

It seems the economic and market news for the past thirty days has centered on the increasing costs of commodities. Of these, most notably, the price of oil is mentioned. Beyond the price we pay at the pump, what makes this important to each of us? Quite simply, oil prices are at the very least, part of every expenditure we make. By this we mean every good or service that is part of the Gross Domestic Product of this country owes part of its price to that of oil. This holds significant implications to our economy.

As our economy continues to trudge along at an anemic pace inflation seems to be inching higher. The Federal Reserve Open Market Committee (FOMC) has lowered the Fed

funds rate by over 3%, or 300 basis points, since the current easing cycle began last fall, and over 2% since the beginning of this year. Many factors had precipitated the cut in the funds rate over the past 9 months, but the threat of inflation appears to have halted them.

Economists debate the current condition of our economy, however, most concede we are currently in a recession. Therein lies the quandary for economic policy makers. Commodity induced/increased inflation threatens the long term health of the economy. Given the current economic weakness, raising rates could push the economy further down, but by not doing so, could let inflation spiral upward to even higher levels.

Chairman Bernanke recently signaled that the most pressing threat to our economy is that of inflation. He also conceded that the current weakness in the economy continues to be worrisome. Market participants took these statements as signal that the policy makers are on hold for the near future but may be forced to increase rates should inflation turn further upward.

Mark Polistina is the Portfolio Manager for The Illinois Funds.

Independence Day Schedule Reminder

The Illinois Funds will close early on Thursday, July 3 and will be closed on Friday, July 4 for Independence Day.

All early closes will occur at 12:00 noon. If you have any questions about inbound or outbound wire transfers on July 3, please call U.S. Bank at 800-947-8479.



Safety, Liquidity and Yield



Illinois Funds yields for the period ending 5/31/08

Money Market Fund (Daily Liquidity)

Prime Fund (7-day Liquidity) after 30-day minimum term

Net Portfolio Assets (in millions)	\$5,046	Net Portfolio Assets (in millions)	\$2,116
Monthly Investment Earnings (in 1000's)	\$8,142	Monthly Investment Earnings (in 1000's)	\$4,247
7 Day Yield*	2.13%	7 Day Yield*	2.38%
One Month Yield*	1.99%	One Month Yield*	2.33%
Net Asset Value (per share)	\$1.00	Net Asset Value (per share)	\$1.00
Weighted Average Maturity	16	Weighted Average Maturity	34
*Yield Net of Fees		*Yield Net of Fees	

Monthly Public Sector Rate Comparison

The Illinois Funds, MMF	1.99%	The Illinois Funds, Prime	2.33%
S&P Govt Inv Pool-Govt Fund Index	2.06%	S&P Govt Inv Pool-Taxable Funds Index	2.50%
IL School Dist Liquid Asset	2.40%	IL School Dist Liquid Asset Max	2.50%
3 Month Treasury Bill	1.77%	3 Month Treasury Bill	1.77%
6 Month Treasury Bill	1.86%	6 Month Treasury Bill	1.86%

Monthly Private Sector Rate Comparison

The Illinois Funds, MMF	1.99%	The Illinois Funds, Prime	2.33%
IMoneynet™ - Govt. Institutional	1.74%	Federated Govt Obligations	2.21%
Fidelity - 695 Treas Fund	1.97%	Fidelity - 57 Govt Fund	2.22%
Goldman Fin Sq Treas Fund - 468	1.89%	Goldman Fin Sq Govt Fund - 465	2.34%
30 Day Time Deposit	1.73%	90 Day Time Deposit	2.72%

FUND COMPOSITIONS

Money Market Fund

64.9% - Repurchase Agreements
 12.4% - Money Market Funds
 1.9% - Certificates of Deposit
 0.0% - Treasury Bills
 20.8% - U.S. Government Agencies

Prime Fund

50.3% - Repurchase Agreements
 1.4% - Certificates of Deposit
 16.3% - US Government Agencies
 0.3% - Money Market Funds
 31.7% - Commercial Paper

E-Pay Account Rate

2.004% 6/06/08

1-866-831-5240

www.illinoisepay.com

Rapid Revenue Acct. Rate

2.004% 6/06/08

1-800-346-7414

Visit our website at www.illinoisfunds.com for further information.